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FISCAL IMPACT STATEMENT

LS 7695

BILL NUMBER: SB 615

NOTE PREPARED: Jan 15, 2005

BILL AMENDED:

SUBJECT: CHOICE Board.

FIRST AUTHOR: Sen. Server

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill adds additional members to, and additional duties for, the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) Board. The bill voids rules adopted by the Division of Disability, Aging, and Rehabilitative Services (DDARS) concerning home- and community-based services. It requires DDARS to adopt new rules implementing: (1) the Caretaker Support Program; and (2) standards for continuum of care providers; not later than January 1, 2006. The bill also requires DDARS to report to the Administrative Rules Oversight Committee on the status of the rules not later than September 1, 2005. It also extends certain expiration dates.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: *Office of the Secretary, FSSA:* The bill would require the Office of the Secretary of the Family and Social Services Administration to annually assess the personnel, funding, and case management needs of the Office of Medicaid Policy and Planning (OMPP) and DDARS with regard to the implementation of home- and community-based services. The Secretary is required to report information from the assessment to the Legislative Council by December 31 of each year. The bill specifies that the Secretary may not use information gathered for the assessment, such as lack of funding, to justify the delay or lack of implementation of statutorily required programs and services. The fiscal impact of this provision would be dependent upon what information might be discovered from the assessment and subsequent administrative actions.

CHOICE Board: The bill expands the membership of the CHOICE Board from 9 to 15 members. The additional members include 2 lay members and 4 nonvoting legislative members. CHOICE Board laymembers

are eligible to receive \$50 per diem plus travel reimbursement. Legislative members are eligible for \$134 per diem plus travel reimbursement. The expenses associated with the legislative members is paid from appropriations to the Legislative Council or the Legislative Services Agency. The Board is required to meet a minimum of 6 times each year. The cost of this provision for member per diem would be an additional \$600 for the lay members and \$3,216 for the legislative members. The cost of travel reimbursement would be dependent upon the home stations of the new appointees, the number of meetings attended, and the number of miles traveled.

Rules: This bill would void 460 IAC 1.1 which concerns home- and community-based services including: qualifications for approved providers, the process by which the DDARS/Bureau of Aging and In-Home Services (BAIHS) approves providers, the BAIHS process for monitoring and ensuring compliance with provider standards and requirements, the rights of individuals receiving services, protection of individuals receiving services, the standards and requirements for approved providers, and definitions for home- and community-based services. 460 IAC 1.1 was adopted by DDARS on August 5, 2004.

The bill requires DDARS to adopt rules, in place of the voided 460 IAC 1.1, to implement the Caretaker Support Program by January 1, 2006. The current Caretaker Support Program is federally funded and operated under federal regulations by the Area Agencies on Aging. The administrative duties of DDARS include creation and implementation of administrative rules. The rulemaking process should be able to be accomplished within the existing level of budget and resources.

The creation of new rules and the voiding of 460 IAC 1.1 could result in changes in expenditures or revenue for the state, depending on the changes made in the rules. The actual impact is unknown, however, and will depend upon administrative actions.

Waiver Applications: The bill extends deadlines for certain waiver applications required in P.L. 274-2003. In some instances, OMPP reported that the waivers were filed and in other cases, OMPP did not file the waiver applications required by P.L.274-2003, reporting that information necessary for the waiver applications was being developed. P.L. 274-2003 provides that the State Budget Director and the Secretary of FSSA are responsible for ensuring that the cost of services provided in the affected program does not exceed available state and federal funding. The cost of implementing the waivers if approved by the Centers for Medicare and Medicaid Services (CMS) would be subject to this constraint.

The waiver application process is not without opportunity costs. Waiver applications are developed and submitted by the existing staff in OMPP. Waiver applications must be developed and adequately justified. If the Centers for Medicare and Medicaid Services have questions or request additional information, staff must be available to respond within specified time lines or requests are considered expired. If the waivers are subsequently approved, OMPP must implement the reimbursement for services, or changes to services, and fulfill waiver reporting requirements, including the critical fiscal neutrality reports. OMPP is currently operating eight waivers.

Indiana Register: The bill requires DDARS to submit to the Indiana Register the Division's written response to any comments received from parties consulted when creating the aforementioned rules. Assuming that the response is reasonable in length, publishing costs should fall within current budgetary expenditures for the Register.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Secretary of the Family and Social Services Administration (OMPP and DDARS).

Local Agencies Affected:

Information Sources: *Indiana Register*, Volume 28, Number 2, 460 IAC 1.1.

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